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Subject: Sen. Grassley on pursuing USMCA disputes against Mexico on ag-related issues

Given the call that Chad and Jane have this Friday with Alex Dunn and Mexican counterparts on chems/pesticides issues, you'll want to see what Sen. Grassley is saying about using the USMCA dispute settlement mechanism against Mexico.

Grassley: Ongoing ag issues with Mexico 'definitely' worth USMCA disputes

June 9, 2020 at 6:36 PM

Lingering agricultural concerns between the U.S. and Mexico -- blocking glyphosate and suspending agricultural biotechnology permits, for example -- are "definitely" worth state-to-state dispute actions under the U.S.-Mexico-Canada Agreement once it goes into effect on July 1, Senate Finance Chairman Chuck Grassley (R-IA) said on Tuesday.

Mexico in recent months has blocked imports of glyphosate -- an herbicide used by some U.S. producers -- and suspended import permits for agriculture biotechnology products. Asked whether the issues are important enough to lead to disputes under USMCA, Grassley said yes.

"Definitely," he told reporters on a conference call. "Because USMCA follows the principle that is the very foundation of our international agreements on trade -- that everything should be science-based. And science shows that Mexico's decision is a political decision and not a scientific decision."

To initiate a dispute under Chapter 31 of USMCA, a country will request consultations with another; if the two cannot reach an agreement, the dispute will be elevated to a panel. While the three countries have not yet agreed to a list of panelists, they have until the entry-into-force date to do so.

Mexico is not the only country to restrict imports of glyphosate. In blocking a major import of the herbicide late last year by denying an importer a permit, Mexico's Ministry of Environment called glyphosate "potentially toxic to human health and the environment."

Mexico's former chief USMCA negotiator, Kenneth Smith Ramos, acknowledged earlier this month that the environment ministry had also been rolling back some regulations, leading to the suspension of import permits for certain agricultural biotechnology products. He told *Inside U.S. Trade* the moves had already sparked "quite an uproar in the U.S. agriculture export community."

USMCA includes a separate biotechnology chapter that covers a broad range of agricultural biotechnologies, like gene editing, and requires cooperation and transparency among the parties.

Mexico also has concerns, including increased border inspections, according to Smith Ramos, who argued that the country is concerned the inspections on tomatoes, allowed by a 2019 suspension agreement, could be expanded. -- *Hannah*

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